

Assembly Joint Resolution No. 26

RESOLUTION CHAPTER 96

Assembly Joint Resolution No. 26—Relative to military reserve personnel.

[Filed with Secretary of State June 27, 2002.]

LEGISLATIVE COUNSEL'S DIGEST

AJR 26, Havice. Military reserve personnel.

This measure would memorialize the President and Congress to take various actions to ensure the fair treatment of military reservists when they apply for loans.

WHEREAS, The military reserve forces of the United States provide a valuable service to the citizens of the United States; and

WHEREAS, Military reserve personnel make up 60 percent of the total armed forces of the United States; and

WHEREAS, The reserve forces of the United States military provide for the continuing freedom and pursuit of democracy throughout the world; and

WHEREAS, The military reserve upholds our values and beliefs in times of peace as well as war; and

WHEREAS, Evidence suggests that members of the military reserve may be discriminated against due to their reserve status when applying for financing; and

WHEREAS, This discrimination results in members of the military reserve being charged higher interest rates for loans due to their reserve status; and

WHEREAS, This discrimination is an attempt to circumvent the Soldiers and Sailors Relief Act of 1940; and

WHEREAS, The Soldiers and Sailors Relief Act of 1940 specifies that should a member of the military reserve be called to active duty, that person's outstanding loans shall be capped at a 6 percent interest rate should the soldier prove that his or her active duty status would put him or her in financial hardship; and

WHEREAS, The practice of subprime lending based on reserve status is not prohibited by federal law; and

WHEREAS, California has taken the lead in protecting the military reserve and the National Guard in California through Assembly Bill 120 of the 2001–02 Regular Session; and

WHEREAS, We must protect the interest of our military reserve personnel in order to preserve military readiness and morale; and

WHEREAS, The federal government must stand firm in upholding the rights and duties of the military reserve and continue to demonstrate leadership in the implementation of a strong military force; now, therefore, be it

Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature of the State of California memorializes the President and Congress of the United States to do all of the following:

(a) Stand firm in protecting the financial interest of military reserve personnel.

(b) Enact new legislation that strengthens the provisions of the Soldiers and Sailors Relief Act of 1940.

(c) Look into the practice of predatory lending against military reservists based on their reserve status.

(d) Enact legislation that makes it a crime to discriminate against military reserve personnel based on reserve status when applying for financing; and be it further

Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States and to all members of Congress of the United States.

